

MINUTES

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

**Thursday, April 27, 2006
1:30 PM
Room 544, Legislative Office Building**

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services met on Thursday, April 27, 2006, at 1:30 P.M. in Room 544 of the Legislative Office Building. Members present were Senator Martin Nesbitt, Co-Chair; Representative Verla Insko, Co-Chair, Senators Austin Allran, Vernon Malone, and William Purcell and Representatives Jeff Barnhart, Beverly Earle, Bob England, Carolyn Justice, and Fred Steen. Advisory members, Senator Larry Shaw and Representative Jean Farmer-Butterfield were present.

Kory Goldsmith, Ben Popkin, Shawn Parker Andrea Russo, Jennifer Hoffman, and Rennie Hobby provided staff support to the meeting. Attached is the Visitor Registration Sheet that is made a part of the minutes. (See Attachment No. 1)

Representative Verla Insko, Co-Chair, called the meeting to order, welcoming members and guests. She asked for a motion to approve the minutes from the April 12, 2006 meeting. Representative Justice made the motion and the minutes were approved.

Representative Insko said that many comments had been received and incorporated into the revised proposals and others received were under consideration. She also said that the proposals would be in bill form to be approved at the next meeting on May 10th.

Kory Goldsmith from the Research Division and Andrea Russo from Fiscal Research reviewed the revised proposals. Ms. Goldsmith said that she and Ms. Russo would only review items new to the document. (See Attachment No. 2) She noted that items had been shifted to other locations in the document. She began with the Introduction which included the foundations of reform. The third paragraph referenced the ranking of North Carolina to other states in its per capital spending for mental health services. Members thought that it would be helpful to have the rankings in the other disability groups also. Ms. Russo said the total appropriations recommended within the report are \$155,179,521. Of that, \$99.3 million are recurring funds and \$55.9 million are non-recurring. She referred members to a spreadsheet entitled *A Summary of Cost of LOC Proposals*. (See Attachment No. 3) The spreadsheet indicated only those proposals that have costs associated with them and whether they were recurring or non-recurring. She said that on page 4, recommendation 1.1, combined some of the recommendations from the report of April 12 and a second spreadsheet corrected a miscalculation of funds that should not have been included in the per capita distribution of services. (See Attachment No. 4) In recommendation 1.2, the change allows LMEs the flexibility to shift up to 15% of funds between disabilities. LMEs would have to meet State and federal requirements, and show how they have addressed the service needs for the funding categories from which funds are being shifted.

Ms. Goldsmith said the next change on page 6 was the inclusion of the last paragraph providing background information on the shortage of psychiatrists. She referenced two reports, one of which ranked North Carolina 20th in the nation in psychiatrists per 10,000 population, but with population growth that ranking is expected to worsen. Item 2.4 was moved from another location in the report.

On page 8, Ms. Russo said recommendation 3.1 included: a figure to hire a consultant to assist LMEs with developing and implementing start-up crisis services. It was suggested that there be clarification regarding the consultant to be hired. Members suggested that the word “organization” be included so as not to be interpreted as a single individual being hired. The last two paragraphs were also new. Recommendation 3.4 is a request from the Division to extend the sunset for the First Commitment Pilot Program from July 1, 2006 to October 1, 2007.

On page 10, Ms. Goldsmith said the language regarding the Secretary and the Division had been softened. Recommendation 4.2 was added to clarify that the State Plan include benchmarks, specific goals, and the addition of domains. Recommendation 4.4 combined the cost for hiring one or more consultants that was previously shown separately. It was also suggested that the language clarify that the hire was not a single individual.

Under LMEs, recommendation 5.1 on page 13, gave more specificity to the responsibilities of the LME that would be codified, and 5.2 reflects the recalculated costs to administer those functions. Ms. Russo said that 5.3 directs the Department to retain all funds withdrawn from the LME cost model allocations that are not accounted for in subsection 5.2. Senator Nesbitt asked that the report reflect that the money in 5.3 stay with the LME to be used for services. Ms. Goldsmith said that 5.4 would require a minimum catchment area population or minimum numbers of counties in an LME which would encourage increased consolidation. Recommendation 5.7 adds more specificity to area board member terms. Recommendation 5.8 amends Chapters 122C and 160A to require that the quarterly financial reports filed by LMEs with their counties must be reviewed and approved by the county finance officers.

The only significant change to the consumer section was to add 3 appointments by the President Pro Tempore of the Senate, the Speaker of the House, Council of Community Programs, and the Association of County Commissioners. Ms. Goldsmith then moved on to the provider section. Recommendation 7.1 makes the facility licensure requirements for outpatient substance abuse services consistent with the facility licensure requirements for outpatient MH or DD services. Page 17 addressed a new section related to the Oversight Committee. It gives the history of the Committee and the charge to the Committee. Recommendation 8.1 directs the LOC to study several issues and report to the 2007 General Assembly. Recommendation 8.2 gives the LOC the same authority as other Oversight Committees and 8.3 repeals the Legislative Study Commission on MHDDSAS.

Members suggested adding a provision to the report stating that any savings realized from financing the 400 independent and supportive living apartments be used to assist the *Healing Place* and others similar establishments. Mike Moseley, Director of the Division on MHDDSAS, said that crisis dollars embodied in the proposal could also be directed to develop services such as the *Healing Place*.

Representative Insko then asked members of the public who had signed-up prior to the meeting to come forward and provide the Committee with their thoughts on the proposals. Those addressing the Committee were: David Swann, Mike Watson, Mary Short, Martha Brock, Jay Zamagoca, Robin Huffman - (See Attachment No. 5), Chris Estes, Laurie Coker – (See Attachment No. 6), Dave Richard, Will Callison, Sally Cameron, Louise Fisher, Paula Cox Fishman, Carol Matthew, Mark Botts, Margaret Weller-Stargell, and Nancy Carey.

Those speaking expressed appreciation and support for the proposals. There were positive comments regarding the value of a strong LME, funds appropriated into the community for housing, evidence base services, psychiatric care and the continuum of crisis care.

Suggestions included: looking at the Medicaid rate for psychiatric services; examine how to keep psychiatrist in the community and how to recruit psychiatrist in the rural areas; create a department for DD; study the need for mental health parity; issue of possible divestiture by June 30 or December 31, 2006; support the promotion of “money following the person;” prohibition against using per capita expansion money for people with DD; give LMEs the opportunity to use new funds for DD; look at MR centers when studying psychiatric bed day use; examine the need for substance abuse workforce training; take reversion dollars and the dollars from downsizing the MR Centers and move the funds to the Mental Health Trust Fund instead of the general fund; think carefully regarding uniformity of procedures and consult providers and LMEs for input; study flexibility in substance abuse dollars; and study need for recurring funds for the Consumer Advocacy Program.

Senator Nesbitt suggested that the Committee add a paragraph to the report to increase insurance coverage for mental health and to move parity ahead. He also suggested adding a statement in the Introduction stating that this effort is a first step in the solution to reform and the LOC will continue to work and make recommendations to the General Assembly as it moves forward. Other items suggested for future study by members included: studying MR centers, looking at funding categories in order to equalize funding; remove language from statutes stating funds from downsizing go towards the funding of the new hospital; look at services and see if definitions are appropriate; study long-term disabilities to see if needs are being met; bring health care experts in from Massachusetts to discuss success in health care for all.

Representative Insko said the draft report would be sent to members prior to the May 10th meeting.

There being no further business, the meeting adjourned at 4:00 PM.

Senator Martin Nesbitt, Co-Chair

Representative Verla Insko, Co-Chair

Rennie Hobby, Committee Assistant